

A bill for an act
relating to taxation; sales and use; authorizing the city of Hutchinson to impose a
sales and use tax.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **CITY OF HUTCHINSON; TAXES AUTHORIZED.**

Subdivision 1. Sales and use tax. Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of law, ordinance, or city charter, if approved by the voters pursuant to Minnesota Statutes, section 297A.99, the city of Hutchinson may impose by ordinance a sales and use tax of up to one-half of one percent for the purposes specified in subdivision 2. Except as otherwise provided in this section, the provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision. Minnesota Statutes, section 297A.99, subdivision 1, paragraph (d), does not apply to this section.

Subd. 2. Excise tax authorized. Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of law, ordinance, or city charter, the city of Hutchinson may impose by ordinance, for the purposes specified in subdivision 3, an excise tax of up to \$20 per motor vehicle, as defined by ordinance, purchased or acquired from any person engaged within the city in the business of selling motor vehicles at retail.

Subd. 3. Use of revenues. Revenues received from the taxes authorized by this section must be used to pay the cost of collecting and administering the tax and to finance the costs of constructing a new water treatment facility and renovating the wastewater treatment facility in the city of Hutchinson. Authorized costs include, but are not limited to, construction and engineering costs of the projects and associated bond costs.

2.1 Subd. 4. **Termination of tax.** The taxes authorized under subdivisions 1 and 2
2.2 terminate at the earlier of: (1) 20 years after the date of initial imposition of the tax; or
2.3 (2) when the Hutchinson City Council determines that the amount of revenues raised is
2.4 sufficient to pay for the projects under subdivision 3, plus the amount needed to finance
2.5 the capital and administrative costs for the projects specified in subdivision 3, and to repay
2.6 or retire at maturity the principal, interest, and premium due on any bonds issued for the
2.7 projects. Any funds remaining after completion of the projects specified in subdivision
2.8 3 and retirement or redemption of the associated bonds may be placed in the general
2.9 fund of the city. The taxes imposed under subdivisions 1 and 2 may expire at an earlier
2.10 time if the city so determines by ordinance.

2.11 **EFFECTIVE DATE.** This section is effective the day after compliance by the
2.12 governing body of the city of Hutchinson with Minnesota Statutes, section 645.021,
2.13 subdivisions 2 and 3.